



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

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**RURAL BROADBAND EXPERIMENT SUPPORT
AUTHORIZED FOR TEN WINNING BIDS FOR SKYBEAM, LLC, CONSOLIDATED
COMMUNICATIONS NETWORKS, INC, DELTA COMMUNICATIONS LLC, AND
ALLAMAKEE-CLAYTON ELECTRIC COOPERATIVE, INC.**

**WC Docket No. 10-90
WC Docket No. 14-259**

By this Public Notice, the Wireline Competition Bureau (Bureau) authorizes rural broadband experiment support for Skybeam, LLC (Skybeam), Consolidated Communications Networks, Inc. (Consolidated), Delta Communications LLC (Delta), and Allamakee-Clayton Electric Cooperative, Inc. (Allamakee) for the winning bids identified in the Attachment to this Public Notice. The \$11,273,764 in support that we authorize today will bring new broadband to 1,889 census blocks in five states.

On December 5, 2014, the Commission announced the first round of provisionally selected bidders for the rural broadband experiments.¹ By specified deadlines, the provisionally selected bidders were required to submit certain technical and financial information, a letter of credit (LOC) commitment letter from a bank meeting the Commission's requirements, and documentation of their eligible telecommunications carrier (ETC) designations in all of the areas for which they will receive support, and certify that the information submitted is accurate.² After reviewing these materials, the Bureau announced on May 27, 2015 that it was ready to authorize support for 15 specific bids and set a deadline of June 10, 2015 for the provisionally selected bidders to submit a least one acceptable irrevocable stand-by LOC and Bankruptcy Code opinion letter from legal counsel.³

For each of the winning bids identified in the Attachment, the Bureau has reviewed the winning bidders' submissions, including the LOC and Bankruptcy Code opinion letter from the winning bidders' legal counsel. Based on the representations and certifications in the winning bidders' applications, the

¹ *Wireline Competition Bureau Announces Entities Provisionally Selected for Rural Broadband Experiments; Sets Deadlines for Submission of Additional Information*, WC Docket No. 10-90, Public Notice, 29 FCC Rcd 14684 (Wireline Comp. Bur. 2014).

² *Connect America et al.*, WC Docket Nos. 10-90, 14-58, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769, 8787-88, paras. 52, 54 (2014) (*Rural Broadband Experiments Order*).

³ *Wireline Competition Bureau Announces Rural Broadband Experiments Support for 15 Provisionally Selected Bids is Ready to Be Authorized and Releases Updated Frequently Asked Questions*, WC Docket Nos. 10-90, 14-259, Public Notice, 30 FCC Rcd 5038 (Wireline Comp. Bur. 2015).

Bureau now authorizes support for the winning bids listed in the Attachment. A list of the relevant census blocks is available at <https://www.fcc.gov/encyclopedia/rural-broadband-experiments>.

Upon issuance of this Public Notice, the Universal Service Administrative Company (USAC) is directed and authorized to obligate and disburse from the Connect America reserve account the support amounts identified in the Attachment to the winning bidder associated with each study area specified in the Attachment. USAC shall disburse the support amounts to Consolidated and Allamakee in 120 equal monthly installments over the ten-year support term. Skybeam and Delta elected to receive 30 percent of the total support upfront in exchange for meeting accelerated deployment obligations. USAC shall disburse 30 percent of those winning bidders' total support amount with the first monthly payment, and disburse the remaining 70 percent of their support in 120 equal monthly installments over the 10-year term.⁴ USAC will make disbursement payments to the account on file for the Service Provider Identification Number associated with the rural broadband experiment study area code (SAC).

In the *Rural Broadband Experiments Order*, the Commission adopted a requirement that recipients file an interim report on November 1, 2015, describing the status of their project (i.e., whether vendors have been hired, permits have been obtained, construction has begun) and including evidence regarding the locations (if any) that the recipients have built out to in their project areas by September 30, 2015.⁵ This interim reporting requirement is subject to approval by the Office of Management and Budget under the Paperwork Reduction Act of 1995.⁶ We will announce by public notice when approval is granted and set a deadline for submission of this interim report at that time.

We conclude there is good cause to waive on our own motion the general high-cost support program requirement that the relevant states file a section 54.314 certification on the recipients' behalf by October 1, 2015 with respect to the use of rural broadband experiment support.⁷ Under the general rule for all high-cost support recipients, in the certification due on October 1, 2015, states certify that high-cost support received in 2014 was used for its intended purposes and that high-cost support that will be received in 2016 will be used for its intended purposes. When the Commission adopted the certification requirement, it made clear that it expected the states to undertake a rigorous examination of the factual information provided in the annual reports required pursuant to section 54.313 prior to issuance of the annual certification.⁸ In this instance, the rural broadband experiment recipients did not receive rural broadband experiments support in 2014 and did not file an annual report with respect to those supported areas on July 1, 2015. Therefore, the state commissions have no information before them now to provide an evidentiary basis for the prospective certification for the use of the rural broadband experiment support in 2016. We note that the recipients will be required to certify that support received in 2016 was used for its intended purposes when the section 54.314 certification is filed on October 1, 2017. Accordingly, we

⁴ *Rural Broadband Experiments Order*, 29 FCC Rcd at 8794, para. 75.

⁵ *Id.* at 8796, para. 81.

⁶ Paperwork Reduction Act of 1995, Public Law 104-13; *see* 44 U.S.C. § 3507(a).

⁷ *Rural Broadband Experiments Order*, 29 FCC Rcd at 8796-97, para. 82; 47 C.F.R. § 54.314. Generally, the Commission's rules may be waived for good cause shown. 47 C.F.R. § 1.3. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*). In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166. Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest. *Northeast Cellular*, 897 F.2d at 1166.

⁸ *Connect America Fund et al.*; WC Docket Nos. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17861, para. 612 (2011) *aff'd sub nom.*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

conclude that the Commission, USAC, and the states will have assurance that rural broadband experiment support that is disbursed in 2016 is used for its intended purposes even if the relevant states do not file the section 54.314 certification on October 1, 2015.

We also remind recipients that a winning bidder that has been authorized to receive rural broadband experiment support will default if it fails to meet its build-out obligations to offer service delivering the requisite speed, latency, usage and pricing, fails to keep open and renew its LOC, or fails to fulfill any other term or condition of rural broadband experiment support.⁹ Under the terms of the LOC, the Commission will be entitled to draw upon the LOC upon a recipient's default after the opportunity to cure.¹⁰ Recipients may also be subject to other sanctions for non-compliance with the terms and conditions of the rural broadband experiments or the Commission's rules.¹¹

We note that price cap carriers that serve the census blocks where the rural broadband experiment winning bidders have been authorized to receive support no longer have a federal high-cost ETC obligation to continue to offer voice in those census blocks pursuant to the forbearance granted in the *December 2014 Connect America Order*.¹²

For further information, please contact Heidi Lankau, Telecommunications Access Policy Division, Wireline Competition Bureau at 202-418-7400 or at TTY (202) 418-0484.

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⁹ *Rural Broadband Experiments Order*, 29 FCC Rcd at 8799, para. 90.

¹⁰ *Id.* at 8799, paras. 92-93.

¹¹ *Id.* at 8800, paras. 94, 96.

¹² *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, 29 FCC Rcd at 15663-71, paras. 50-70 (2014); *see also* 47 C.F.R. § 54.201(d)(3). We will remove these census blocks from the list of census blocks where price cap carriers continue to have the federal high-cost ETC obligation to provide voice service. The "List of Census Blocks Subject to Federal High-Cost Voice Obligations" is available at <https://www.fcc.gov/encyclopedia/price-cap-resources>.

Attachment
Authorized Winning Bidders and Bids

Category One¹³

Bidder Name	State	Selected Bid Project ID	Selected Bid Amount	Census Blocks Covered by Selected Bid	Number of Covered Locations	Study Area Code
Skybeam, LLC ¹⁴						
	IL	3	\$1,076,282.00	357	1,291	346116
	IL	7	\$1,504,014.00	674	1,988	346117
	KS	8	\$880,216.00	267	914	416118
	TX	2	\$1,066,849.00	201	2,454	446119

¹³ Recipients authorized to receive support for category one projects must deploy a network capable of delivering 100 Mbps downstream/25 Mbps upstream and offer at least one service plan that provides 25 Mbps downstream/5 Mbps upstream to all eligible locations. For that service plan, recipients must provide usage that is reasonably comparable to usage available for comparable wireline offerings in urban areas, at a price that meets the Commission's reasonable comparability benchmarks, and latency no greater than 100 milliseconds.

¹⁴ Skybeam was also provisionally selected for additional bids in the first and second rounds. These bids are still undergoing post-selection review.

Category Two¹⁵

Bidder Name	State	Selected Bid Project ID	Selected Bid Amount	Census Blocks Covered by Selected Bid	Number of Covered Locations	Study Area Code
Allamakee-Clayton Electric Cooperative, Inc.						
	IA	1	\$71,782.00	12	38	356220
	IA	2	\$136,835.00	20	63	356221
	IA	3	\$76,269.00	11	41	356222
	IA	4	\$1,168,707.00	166	523	356223

¹⁵ Recipients authorized to receive support for category two projects must offer at least one service plan that provides 10 Mbps downstream/ 1 Mbps upstream with at least 100 GB of usage, latency no greater than 100 milliseconds, and at a price that meets the Commission’s reasonable comparability benchmarks.

Category Three¹⁶

Bidder Name	State	Selected Bid Project ID	Selected Bid Amount	Census Blocks Covered by Selected Bid	Number of Covered Locations	Study Area Code
Consolidated Communications Networks, Inc.						
	ND	2	\$3,096,810.00	103	171	386325
Delta Communications LLC						
	IL	2	\$2,196,000.00	78	122	346326

¹⁶ Recipients authorized to receive support for category three projects must offer at least one service plan in extremely high-cost census blocks that provides 10 Mbps downstream/ 1 Mbps upstream with at least 100 GB of usage, latency no greater than 100 milliseconds, and at a price that meets the Commission’s reasonable comparability benchmarks.